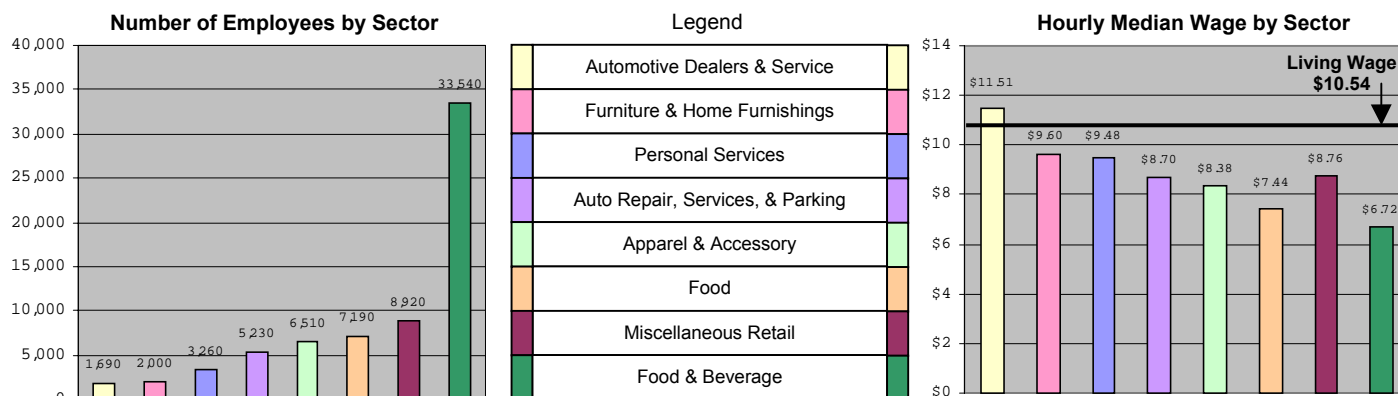


RETAIL SECTOR**FACT SHEET**

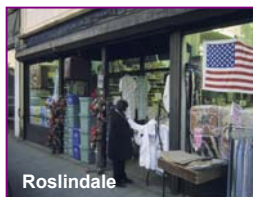
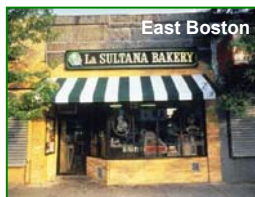
Fall 2003

I. Sector Description and Definition

Over 81,000 are employed in the broadly defined retail sector, which represents about 12% of the local economy's employment. Four segments of this retail group include: retail goods (31,000), food & beverage services (34,000), personal-laundry-repair services (9,000), and other business services such as travel, rental, banking, and copying (7,000). A rough estimate of the volume of sales by these businesses in Boston according to the U.S. Economic Census in 1997 was \$6.6 billion, which would be about \$7.5 billion in 2002. In terms of contribution to the economy, the retail and services sector generate about \$2.0 billion in payroll and \$2.6 billion in Gross Product. The general vitality of the city depends to a large part on the commercial quality of life that the downtown and the neighborhoods offer. Tourists, conventioners, and other visitors are drawn to Boston's vitality and patronize our retail businesses. Commuters and business visitors use these stores and services, too. Finally and most importantly, those who live downtown and in the neighborhoods require quality food stores, pharmacies, restaurants, hardware stores, clothing stores, and a variety of personal services.



Most jobs in Boston's retail industry are concentrated in the Food & Beverages services. This sector makes up almost 50% of all retail employment in the city. Other significant retail sectors, in terms of the number of people employed, are Miscellaneous retail, Food Stores and Apparel & Accessory stores. As it would be expected, the greater number of people employed by a retail sector, the lower the hourly median wage for that sector. It is for this reason that we find a large range in Boston's retail hourly median wage, from \$6.72 in the Food & Beverage sector to \$11.51 in the Automotive Dealers & Service Stations sector.

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II. Job Opportunities and Salaries

The Retail sector provides a wide range of job opportunities and pay scales.

A clear majority of Boston's retail employment falls under the Service occupation category (46.1%). The two other most significant occupation categories, in terms of the number of people employed, are the Sales & Related occupations category

and the Product / Construct / Operate / Maintenance / Material Handling occupations category, with 26% and 13.1% respectively. Professional / Paraprofessional & Technical occupations category accounted for only 3% of Boston's retail employment.

The salary disparity between Managerial & Administrative occupations and Service occupations is very significant with Managerial & Administrative occupations earning an hourly median wage of \$25.03, while Service occupations earn a much lower hourly median wage of \$8.62.

Occupation	Number of Employees	Hourly Median Wage
Managerial & Administrative	3,950	\$ 25.03
Professional/Paraprofessional & Technical	2,070	16.69
Clerical & Administrative Support	4,060	9.74
Product/Construct/Operate/Maintenance/Material Handling	8,980	9.05
Sales & Related	17,780	8.87
Service	31,500	8.62
Total	68,340	

Source: Department of Employment & Training, DET

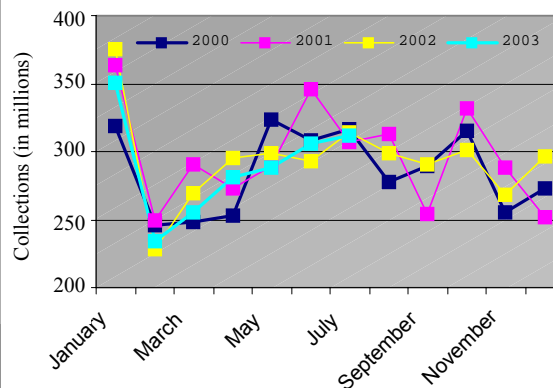
III. Major Employers

Although there are over 6,000 stores offering retail goods, food and beverage services, and personal services to customers throughout Boston, there are few large employers at one site unless you consider malls and shopping centers as one employer. The largest employers are the supermarkets – especially Shaw's, Star, and Stop and Shop – and the department store-Filenes, Macys, Marshalls, and others. National and regional chain stores offer a significant number of jobs in restaurants, video rental, convenience stores, pharmaceutical retail banking.

Largest Retail Businesses	Total Employees	Full-Time Employees	Part-Time Employees
Shaw's Supermarkets	1,690	415	1,275
Filene's	1,518	1,181	337
Stop and Shop	1,144	277	867
Back Bay Restaurant Group	668	53	615

Consumer Spending: Sales & Use Tax Revenue for Massachusetts

Despite the recession and decline in consumer confidence following 9/11, state sales tax receipts for the past year are still strong compared to other sources of revenue. When comparing the total revenues (sales & use tax) for the first 9 months of each year, it can be observed that there has not been a very significant difference in the figures of 2000 (\$2,581,128K), 2001 (\$2,686,746K), & 2002 (\$2,661,030K). Overall, the pattern of receipts is similar to previous years, fueled in part by fiscal & monetary policy stimulus, among other factors (i.e. refinancing boom, 0% interest rate on vehicles, etc.) This is good news for the Commonwealth during an otherwise difficult budget season.



Source: Massachusetts Department of Revenue

National & Regional Chain Retailers in Boston	# of Stores
Department Stores	8
Marshall's	2
Filene's	1
TJ Maxx	1
Macy's	1
Neiman Marcus	1
Saks	1
Lord and Taylor's	1
Kmart	0
Wal Mart	0
Kohl's	0
Ames	0
Restaurants (Chains)	222
Dunkin' Donuts	75
Starbuck's	30
McDonald's	28
Burger King	16
Au Bon Pain	16
d'Angelos	14
Souper Salad	9
Sbarros	8
Papa Gino's	7
Pizzario Uno	6
Domino's	6
Bertucci's	3
Kentucky Fried Chicken	2
Legal Sea Foods	2
Video Stores	22
Blockbuster Video	10
Video Smith	7
Hollywood Video	5
Supermarkets	27
Stop and Shop	10
Shaws	9
The 88	3
Food Basket	2
Bread & Circus	2
Star Markets	1
Convenience Stores	51
Store 24	29
Seven Eleven	8
Lil Peach	8
White Hen	6
Bank Retail	94
Fleet Boston	32
Citizens	31
Sovereign	31
Car Rentals	20
Enterprise	10
Budget	4
Avis	2
Hertz	2
Alamo	2
Pharmacies	51
CVS	30
Osco	10
Walgreens	10
Brooks	1
Copy Stores	16
Copy Cop	11
Kinko's	5

Source: Yellow Pages, ABI database, Cole's Directory & Surveys

IV. Related Industries & Sectors

Tourism. Retail is present in most of Boston's tourism hubs including Newbury St., Quincy Market and the North End, and close to most cultural destinations such as the New England Aquarium, Theater District, and the Museum of Fine Arts. Food and souvenir/memorabilia offer both local goods and national franchises. Mix-use developments including Copley Place and Prudential Center have evolved into lively destinations that are active throughout the week, weekend and into the evening.

Hospitals. These mini-cities require numerous retail businesses including food, pharmacy, bookstores, and entertainment. Medical centers undergoing expansion and redevelopment are adding retail space to better meet the 24-hour a day active demand for goods and services.

Industrial. Retail is supported by the industrial sector beginning with the manufacturing process through the distribution/transportation and warehousing of the products. Two local examples of industrial companies supporting the Retail sector include Metropolitan Meat Company (Newmarket area) which processes beef, veal and poultry for area Chinese restaurants; and Boston Electric Cash Registers (North Allston) which assembles, distributes and installs cash registers and peripherals for local retailers.

V. Education & Training

Experience Needed. Unlike other sectors, the retail industry relies heavily on experience instead of education to determine employability, although some two to four year colleges offer certificate programs in this sector and upper level management positions may require an MBA.

Whom does this industry attract? There are 3 types of people in this industry:

1. Individuals who own small businesses or hold MBA degrees. (i.e. Managers)
2. Younger and older workers looking to supplement their income. (i.e. high school students and elderly)
3. People who hold two or three retail jobs to support their families. These people may lack English language or other hard skills, but still see a career in this field. (i.e. TANF, recent immigrants).

National & Regional Chain Retailers in Boston	# of Stores
Retail Trade	31,100
Food /Beverage	8,818
Clothing/Accessories	5,335
Health/Personal care	3,646
Miscellaneous retailers	2,454
Department/discount	2,375
Sporting, hobbies, books, & music	1,768
Auto dealers/parts	1,733
Building, garden, hardware	1,418
Non-store retailers	1,061
Furniture/ furnishings	1,036
Gasoline stations	915
Electronics/appliances	542
Food & Drink	34,452
Full-service restaurants	15,532
Limited-service restaurants	9,696
Special food services	6,305
Drinking places only	3,019
Personal, Laundry, & Repair Services	8,592
Repair	2,386
Personal care & death care	2,253
Dry cleaning/laundry	1,022
All other (photo, parking, etc.)	2,831
Other Services	7,277
Travel	2,401
Auto, Consumer, & Video Rental	1,876
Retail banking	2,000
Other business services (copying)	1,000

Source: County Business Patterns for Suffolk Co., U.S. Census Bureau

Did You Know???

The National Retail Federation recognizes area colleges that offer specialized undergraduate business degree programs with a focus on the retail sector.

Aquinas College, Milton
Mount Ida College, Newton
Bay State College, Boston
Newbury College, Boston
Lasell College, Newton
Simmons College, Boston



Jobs and Community Services (JCS). The Mayor's Office of Jobs and Community Services which focuses on workforce development has offered training programs with a retail focus, especially in the Food and Beverage Services. These jobs offer career ladder opportunities.

Training Initiatives. Retail is one sector that JCS uses to introduce people back into the workforce through "A Welfare to Work Federal Grant." *Goodwill Industries*, in partnership with TJX Companies, provides training and job placement services to recipients of Temporary Assistance to Needy Families (TANF). Other skills training initiatives under Welfare Reform also focus on the retail sector including initiatives offered by Marriott Corporation and Kentucky Fried Chicken Restaurants. In 1999, JCS received a grant from the Department of Labor (DOL) that focused on training Limited English Speakers in the Culinary Arts. This program was so successful that it is being considered by DOL as a model on how to deliver training to Limited English Speakers. A variety of other initiatives in the Food & Beverage Services sector are provided by: Madison Park High School & Jewish Vocational Services, Big Dig Dinner, Crittenton Hastings House, and Marriott Hotel.

VI. Sector Trends and Issues

Cultural Expression. Across the Retail sector, visual and performing artists are being brought into retail businesses and districts to enliven the retail experience. The success of culturally rich retail destinations is leading to the growth of unique arts base businesses [e.g. small independent movie houses, artist cooperative retail shops, galleries and artist markets] and the expansion of Boston's Creative Economy.

Taxation.

- **Internet Tax** – While Retailing industry does not support new taxes on Internet purchases, such as access or business activity taxes, its members do believe that existing sales taxes need to be applied fairly and evenly to all sellers.
- **Meals Tax** – In early March, Mayor Menino proposed a 1% meals tax to supplement the 5% sales-and-use tax. The tax hike proposal currently sits at the State House awaiting approval.

Taxation Increment Financing (TIF). Included in the Housing Bond Bill that is awaiting the Governor's signature is legislation that will allow TIF for housing and mixed use development projects. TIFs create improvement districts with dedicated funding streams based on incremental tax revenues to support local development and infrastructure improvements within the district.

Supermarkets in Boston, 1992-2002

Currently, there are 35 supermarkets in Boston with a total of 919,913 square feet of selling space. Since 1992, 21 new or expanded supermarkets have opened in Boston's neighborhood. These provide residents with more convenience and choice, and their existence displays an increased confidence in the city. Under construction in 2002 were two new Shaw's supermarkets, in Back Bay and in the Lower Mills section of Dorchester, which will replace two existing Star Markets. In addition, Tropical Foods may expand to a location in Mattapan, and a supermarket in the Brigham Circle section of Mission Hill is in the planning stages.

Supermarkets in Boston 2002

Stop & Shop	10	Hi-Lo	1
Tropical Foods	9	Mars Farmers Market	1
The 88	3	Roche Brothers	1
Food Basket	2	Roslindale Village	
Bread & Circus	2	Food Market	1
Capitol	1	Save-A-Lot	1
Family Food Land	1	Shaw's	1
Foodmaster	1	Star	1

Source: New Supermarket Openings, BRA Report #556

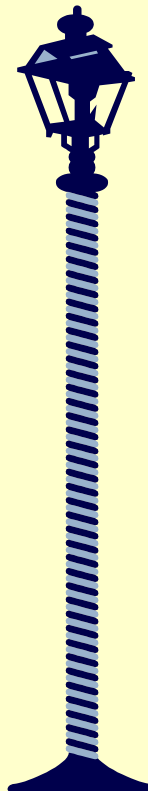
Boston Main Streets Program

In 1995, Mayor Menino created Boston Main Streets (BMS), the first urban, multi-district Main Streets program in the nation. Today, BMS provides funding and technical assistance to 21 neighborhood-based Main Streets districts throughout the City. The BMS program provides merchants and community residents with the tools and resources to better enable their historic commercial districts to compete in today's market. By capitalizing on their unique cultural and historical assets while focusing on the community's economic development needs, BMS helps the local districts with small business recruitment, retention and expansion.

Each district receives technical assistance and intensive training in the Main Street approach from BMS and the National Main Street Center as well as a six-year funding package from the City. In turn, each Main Street organization hires a full time Executive Director, raises matching funds, incorporates its organization, and implements its programs according to an annual work plan. Specific Main Street activities and operations include storefront improvement grants, public enhancements, local promotional and fund-raising events such as road races, parades, auctions, multi-cultural festivals, and holiday shopping events that strategically enhance the image and vitality of the business district and attract new consumers.

Main Streets Districts

Allston Village
Bowdoin-Geneva
Brighton
Centre/South Streets, JP
Chinatown
Codman Square
Dudley Square
East Boston
Egleston Square
Fields Corner
Four Corners
Grove Hall
Hyde / Jackson Square
Hyde Park
Mission Hill
Roslindale Village
South Boston
Saint Marks Area
Upham's Corner
Washington Gateway
West Roxbury



VII. Planning Initiatives

Transit Oriented Development (TOD). Promotes growth and a mixture of uses at transit stations so as to reduce car dependency and enhance community vitality. Boston's settlement patterns reflect her "Street Car" heritage with commercial uses concentrated at or near transit. Today, TOD in Boston will strengthen and grow existing transit rich commercial areas by improving the mix of uses and promoting both new commercial and housing development. Whether the mode of transportation is by foot, public transit or even automobile, proximity to community and business services is in demand.

Housing on Main Streets (HonMS). Is a community based architectural design and planning strategy that seeks to craft a vision for growth in and around existing neighborhood commercial districts. By promoting residential growth and improving the mix of residential types, HonMS works to improve the vitality of neighborhood business districts and smartly grow the city.

Waterfront Projects	FPA – Potential Retail Space
Fan Pier –South Boston	134,420 SF
500 Atlantic Avenue - Downtown	50,479 SF
Harborview Point - Charlestown	47,641 SF
Battery Wharf – North End	42,500 SF
Pier 4 – South Boston	35,000 SF
Clippership Wharf - East Boston	31,900 SF

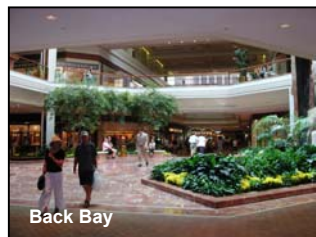
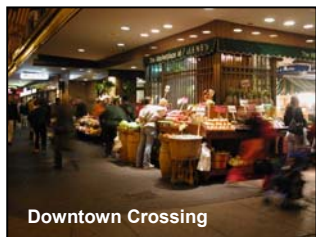
Waterfront Planning. Requiring ground floor facilities of public accommodation ("FPA") is an important component of the City's strategy to activate the waterfront. Demand for FPAs is low. Most waterfront districts lack the residential density to sustain retail. As the waterfront continues to redevelop and neighborhoods are established, the demand for retail space will grow.

Neighborhood Initiatives. Short-term economic development opportunities in the retail sector are dependent on the growing expenditure potential of a neighborhood. Long-term retail development can capitalize on new development including residential, commercial and institutional. Planning for continued economic strength in the retail sector should include the coordination and promotion of retail activities within existing commercial districts through an expanded Main Streets program, the strengthening of ties between existing retail districts and key demand generators (residents, employees, tourists), and enhancement of the physical environment. Examples include: Grove Hall, North Allston, Dorchester Rezoning, the East Boston Master Plan, the Jackson Square Master Plan and the Roxbury Master Plan.

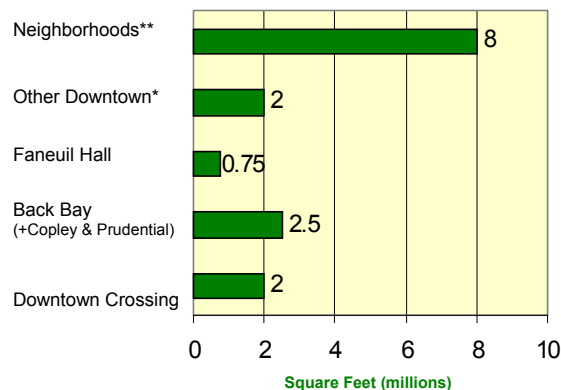
VIII. In the Neighborhoods

Boston has about 15 million square feet of retail, restaurant, and services real estate. Downtown Boston offers the most concentrated cluster of retail stores in the city with large department stores, specialty shops, major apparel merchants, and large eating and drinking establishments. Major clusters are: Downtown Crossing, Back Bay (including Boylston and Newbury Streets as well as the Copley and Prudential Center Malls), and the Faneuil Hall Marketplace Area (including Quincy Market, Marketplace Center, and the Blackstone Block).

Elsewhere downtown are other smaller areas of shopping, food services, and personal services opportunities with some of the prime areas including the North End, Chinatown, Charles Street, Kenmore Square, and the Longwood Medical Area. In the neighborhoods are a variety of business districts that have food (grocery), eating and drinking places, and drug stores where residents do most of their basic shopping. There are 21 Main Streets Districts, which offer merchants such opportunities as marketing and entertainment/promotional campaigns to attract customers and increase business activities.



Major Shopping Districts



*Beacon Hill, West End, North Station, North End, Government Center, Waterfront, Leather District, Chinatown, Theater District, Park Plaza, Kenmore Square, East and West Fens, and Longwood Medical Area

**South End, Charlestown, East Boston, South Boston, Dorchester, Roxbury, Mattapan, Hyde Park, West Roxbury, Roslindale, Jamaica Plain, Mission Hill, Brighton, and Allston.

IX. Creative Economy

The Creative Economy is deeply rooted in the Retail sector with numerous areas of interdependency including:

- **Sales.** Retailers sell locally produced goods including fashion, craft, fine arts, and furniture. Restaurants exhibiting and selling fine art are as common as Art galleries. In addition to selling creative product, retailers such as camera and frame shops; art, music, and theater supply stores; and hardware and lighting stores provide the inputs and materials needed in the production of creative activities and goods.
- **Employment.** By necessity, preference or happen stance, local artists often take advantage of the flexible hours and minimum requirements of retail employment. Employers, especially in art and creative related businesses, reap the benefits of knowledgeable and involved employees.
- **Retail as Entertainment.** In an endless effort to attract customers, businesses, business districts, and even retail malls seek to enhance the “retail experience” with visual and performance arts. Providing everything from formal artwork to community murals, from graphic design to window displays, from featured performers to local garage bands, artists are brightening and enlivening the Retail sector.
- **Entertainment and Retail.** Cultural institutions often function as retail anchors generating foot traffic and sales for adjacent businesses which enhance the cultural experience by providing “accessory” services and goods such as diner and a movie. Cultural institutions also directly generate significant income from internal retail and service operations including cafes and gift and bookshops.



Retail Lease Rates (Triple Net)

Neighborhood	1st Half 2000
Allston/Brighton	\$17 to \$23
Central	\$22 to \$25
Charlestown	\$15 to \$20
Dorchester	\$12 to \$25
East Boston	\$10 to \$15
Fenway/Kenmore	\$20 to \$100
Hyde Park	\$9 to \$12
Jamaica Plain	\$18 to \$21
Mattapan	\$10 to \$20
Roslindale	\$10 to \$13
Roxbury	\$14 to \$20
South Boston	\$13 to \$18
South End	\$16 to \$20
West Roxbury	\$11 to \$22



Source: Boston Real Estate Agencies & Management Companies

X. Pipeline Projects

There are more than 900,000 square feet of retail space currently under construction in the City of Boston, ranging from a 450 square foot student-run store in Allston to a 200,000 square foot mixed-use retail complex at Millenium Place in Downtown Boston. The Boston Redevelopment Authority has also approved in excess of 750,000 square feet of retail space since April 2001, and there are more than 320,000 square feet of retail space expected to receive approval in 2003.

CART VENDORS

There are approximately 47 spots that are now approved for cart vendors in Downtown Crossing. The permit fee is \$270 per vendor, and each vendor pays a monthly rent to the Downtown Crossing Association, depending on location.

Source: Boston Metro, July 30, 2002

Pipeline Projects

Project Status	*Sq Ft	Project Status	*Sq Ft
Under Construction		Approved	
33 Arch Street	100,510	Fan Pier	134,420
One Brigham Circle	62,000	Midway	96,700
Crosstown Center	60,000	Prudential-Boylston Mixed Use	58,777
Midway	59,583	Stop & Shop - Morrissey Blvd	58,000
Prudential Market	57,000	Fenway Mixed-Use Project	53,000
100 Cambridge Street	38,500	Columbus Center	51,150
Massport Parcel F-1	30,000	500 Atlantic Avenue	50,479
Parcel 8 / BCA	30,000	Morton Plaza	45,000
Park Plaza Parcel 2	26,500	CNY - Parcel 4 - Harborview Pt	35,000
Walgreens	15,517	Massport Parcels F2, G & J	28,425
Hood Business Park	11,000	Loews Boston Hotel	17,400
Charles River Plaza Expansion	10,000	Gateway Terrace	15,000
Liberty Place	6,289	Dover Residences	15,000
Parcel C - Oak Plaza	6,000	174 Hampden Street	12,000
Rollins Square Project	6,000	Two Financial Center	12,000
Tremont Tower Condominiums	4,800	Egleston Crossing	8,748
Court Square Press	4,539	Kensington Place/Hinge Block	8,400
131 Dartmouth Avenue	4,000	Alexandra Hotel	8,025
90 Westland Avenue	3,290	Courtyard by Marriot Hotel	7,500
40 Boylston Street	3,000	YWCA-140 Clarendon	4,721
Roslindale Commons	2,500	1304-1312 Commonwealth Ave	4,512
Public Storage Facility	1,500	Arrowhead	4,000
Under Review		Europa Hotel	3,000
Biosquare II Master Plan	145,000	80 Broad Street	2,750
Portside at Pier One	64,749	Parcel SE-98A / JJ Foley's	2,000
CNY - Parcels 6 & 7	60,000	296 Cambridge Street	1,600
Pier 4	46,000	One Court Street	1,600
Clippership Wharf	31,900	Grand Total:	
Russia Wharf	27,000	Total Number of Sq Ft:	1,683,187
Silver Building	17,000	Total Number of Projects:	58
Parcel 39A	10,290		
Bunker Hill Mall	9,200		
45 Province Street	5,830		

*includes new and rehabilitated existing retail space

Linking Waterfront Retail By Sea

Because physical connections enhance economic connections, and vice versa, all of the infrastructure improvements that have been made or planned to create public transit, pedestrian, water transit and vehicular connections between the waterfront districts and other neighborhoods will only help to forge strong economic ties as well.

Inner Harbor transit is projected to grow over 400% in the next ten years. As landside travel routes around the harbor continue to be increasingly congested, water ferry routes will provide more efficient access to Harbor front destinations, including retail space.



**Boston Redevelopment Authority
Economic Planning Initiative**

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The Economic Planning Initiative's nine interdepartmental teams connect the BRA to industry leaders, issues, and the latest trends in the greater Boston area.

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Economic Sector Teams

Education

Financial Services, Insurance, Real Estate

Health & Medical

Hotels

Industrial

Professional Services

Retail

Technology

Culture, Sports & Recreation

Research

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BRA Research Reports are available free of charge on the BRA website:
www.bostonredevelopmentauthority.com